March 5, 2019

To: Energy and Technology Committee

Re: HB 7115 AN ACT CONCERNING VIRTUAL NET METERING, and HB 7251 AN ACT CONCERNING LONG-TERM CONTRACTS FOR CERTAIN CLASS I GENERATION PROJECTS AND THE RESIDENTIAL SOLAR INVESTMENT PROGRAM AND REQUIRING A STUDY OF THE VALUE OF SOLAR

I'm Will Herchel the CEO of Verogy a commercial solar developer based in Hartford, CT. Although our firm is full of industry veterans, we are essentially a start-up. The legislation that passed in 2018 runs the risk of forcing companies like ours to search for business in other states—when we would prefer to focus our efforts here, in our home state. There needs to be more time to determine the impact on the transition from net metering to a Feed-In-Tariff (FIT) (or Buy-all/Sell-all program) to prevent a development and construction cliff in the commercial solar industry between the ZREC program and the successor program. In my opinion, the best path forward is a hybrid approach in which we maintain net metering so the value of distributed generation can be studied, but permit the expansion on Virtual Net Metering (VNM) and shared clean energy facilities.

It is well understood in the industry that net metering is a program that needs to be studied more fully to understand the costs and benefits that distributed generation assets (namely solar) can provide to the grid. Considering this, we recommend that the implementation of the Section 7 protocols for on-site residential and commercial installations be delayed to allow for proper analysis to be done by PURA/DEEP;

One good piece of PA 18-50 (SB9) was the MWs allocated to VNM and shared clean energy facilities in Section 7. Expanding VNM and Shared Clean Energy Facilities will allow more ratepayers to participate in the direct benefits of distributed solar and to do so at a faster pace than on-site alone would allow. The presence of these new resources on the grid will help PURA/DEEP complete their analysis in preparation from the transition from full retail net metering without stifling development, innovation, and job creation in the state.

We support **HB7115 AN ACT CONCERNING VIRTUAL NET METERING** but believe the cap should be increased an additional amount in all three tranches of agriculture, municipal and state and that this provision be amended into HB7251 for an all-encompassing solar bill that would allow for growth in the solar industry.

We support **HB7251 AN ACT CONCERNING LONG-TERM CONTRACTS FOR CERTAIN CLASS I GENERATION PROJECTS AND THE RESIDENTIAL SOLAR INVESTMENT PROGRAM AND REQUIRING A STUDY OF THE VALUE OF SOLAR.** However, this bill does not go far enough.

Although the ZREC extension is an appropriate one we suggest two years to allow for enough time for data to be collected from a Value of Solar study that runs at least 18 months if not a full two years, not the 6 months as proposed in 7251. We also suggest you follow the attached documentation supported by the commercial and residential solar providers for the appropriate steps to take to preserve the industry.

We also don't see any need for the following language in HB7251:

"For contracts entered into in calendar year 2020, at least ninety days before the electric distribution company solicitation, the Public Utilities Regulatory Authority may lower the renewable energy credit price cap specified in this subsection by sixty-four per cent, during year nine of the program over the term of the contract."

Last year, PURA approved a request from the EDCs for a 64-percent lowering of the cap. Such a drastic reduction would have killed a number of solar projects. Upon further review, PURA appropriately rejected the EDCs request and approved a more moderate cap reduction that ensured a sustained, orderly development of commercial solar in Connecticut.

Thank you very much for your time and consideration.

Will Herchel